



City of Santa Barbara
Airport Department

DATE: August 17, 2011
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: Operating Agreement – Santa Barbara Bank & Trust

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a five (5) year Operating Agreement with Santa Barbara Bank & Trust, a National Association, for operation of two Automated Teller Machines (ATMs) at the Santa Barbara Airport, effective upon the date of beneficial occupancy of the new Airline Terminal, at a graduated rental of no less than \$750 and no more than \$2,000 per month, based upon the number of Non-Customer ATM transactions.

DISCUSSION:

In 1997, in response to frequent requests from travelers and employees, Airport Staff prepared a Request for Proposals (RFP) for operation of an Automated Teller Machine (ATM) at the Airline Terminal. Two proposals were received and Santa Barbara Bank & Trust was selected as the most qualified under the criteria established in the RFP to provide ATM services.

When the initial agreement expired in 2000, Santa Barbara Bank & Trust requested a change in the structure of the fee arrangement due to the rate of return not meeting their projections. Santa Barbara Bank & Trust was allowed to assess a user fee to ATM customers who do not have an account with the bank or its affiliates, in accordance with industry standards, and a fee structure based upon non-member user fees only was adopted. Revenue to date has not exceeded the current monthly minimum of \$500.

Based upon the highly professional manner in which Santa Barbara Bank & Trust has maintained the ATM, establishing a record of prompt and accurate payment of fees, complying with agreement conditions, and providing a community service, the Airport is proposing that Santa Barbara Bank & Trust be offered a new five year Operating Agreement.

Under the terms of the proposed agreement, the ATMs will continue to provide traveler and employee access to cash withdrawals and postage stamps 24 hours a day, seven days a week. The machines will be located in the ticketing lobby and upstairs in the holdroom, and will provide access to most major ATM, credit and debit card networks including the Star regional and Cirrus national ATM networks.

The Airport will receive a minimum of \$750 per month if the number of ATM transactions by non-customers is less than 2,500. If the non-customer transactions total between 2,500 and

5,000 the Airport will receive \$1,200 per month. If the non-customer transactions exceed 5,000, the Airport will receive \$2,000 per month.

The proposed Operating Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business & Property Division